

The right fit

Long gone are the days when people left university, found a job and stayed there for the rest of their lives. **Human Capital** looks at how to select the right graduate for the right job



The graduate recruitment industry in Australia has grown over the past decade in line with the number of students attending university.

According to Ben Reeves, CEO of the Australian Association of Graduate Employers (AAGE), over 110,000 domestic students graduate from an undergraduate degree each year and thousands of graduate vacancies are posted and filled in Australia.

“From our membership database alone, 6,000 to 8,000 graduate vacancies are posted each year. But this doesn’t include all the other companies that are not members of AAGE,” Reeves says.

The AAGE is the peak industry body representing organisations that recruit and develop Australian graduates. Its current membership comprises over 320 organisations across Australia.

“We provide guidance to employers to help continuously improve graduate recruitment and development practices in Australia,” he adds.

The graduate-employer gap

Consulting psychologist Kim Pluess from Peter Berry Consultancy (PBC) has worked with many small and large organisations throughout Australia and has witnessed an disturbing gap in the graduate

recruitment industry. “There are misalignments between what graduates are looking for in a career and what an organisation is looking for in a graduate,” Pluess says.

“Our clients have often pointed out that they spend a lot of time and money recruiting and training graduates only to have them leave the organisation after the induction program is completed.”

Pluess adds that graduates have also indicated that while the graduate program may be good, after the cessation of the program the transition process into the organisation as a full-time, permanent employee is often not done well, leaving them confused and disheartened.

“The real problem that lies beneath all this is a lack of understanding of what makes an ideal graduate candidate for a specific position,” she says.

Closing the gap

To try and find a solution to this graduate recruitment issue, PBC has launched a longitudinal research project looking at graduate selection and development in Australia. The research, to be held throughout 2010, will aim to develop a validated personality profile to be used as a selection tool



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within specific industries and a graduate competency matrix which can be used for development. “Basically, the research will help organisations recruit graduates for high performance and retention as well as assist graduates to understand what organisation or industry they are best suited to,” Pluess says.

According to Reeves, retention of graduate staff can be a huge issue and can result in high turnover costs for graduate employers.

“The turnover costs associated with a graduate leaving the organisation will depend on the amount of time and investment spent. However, from our AAGE 2010 employer survey conducted with our members, the average training time is five weeks which includes approximately 13 days of technical training and nine days of skills training in their first year. I’ve heard estimates of turnover costs of losing a graduate to be about 50% of the graduate’s annual salary,” Reeves says.

In 2008, retention was a huge issue. The question on everyone’s mind was: ‘how can we retain our staff?’ In the last 12 months this has dramatically changed due to the economic crisis.

“We’ve witnessed a large volume of graduate applicants on the market, which has created a

whole different problem. It meant that screening the applicants down to a manageable number was difficult,” says Reeves.

“In addition to this, many companies had fewer resources available as HR departments were cut down. Many graduate employers started using applicant tracking systems and psychometric assessments to help screen the applicant pool to a more manageable number,” he adds.

Pluess notes that PBC’s Australian graduate research will provide an analysis of the Australian graduate market in terms of personality and values.

“Generally speaking, graduates are ambitious but also cautious due to the uncertainty of transitioning from the world of education to the world of work. This being said, the specific set of values of the ideal graduate candidate will vary depending on the industry and job type,” she says.

Research project

Using Hogan psychometric assessments and performance data, PBC’s research will identify:

- Common personality profiles and values of graduates between industries and job type
- Challenges that are typical when starting a graduate program
- Core competencies that best predict graduate success
- Profiles and values of graduates who stay with the organisation after the cessation of their graduate program

According to 2007 research by Hogarth et al, the training and development opportunities on offer are important in attracting and retaining graduates, and the current generation of graduates is seeking such opportunities from their employers.

“The key challenge is how to attract, develop, motivate and retain graduates. Companies that get this right will have a clear competitive advantage in attendance, productivity and retention, which goes straight to the bottom line,” Pluess adds. **HC**

Call to action

PBC is currently looking for graduate employers to take part in its research on graduate selection and development in Australia. The organisations participating in the research will receive free profiles for each participating graduate as well as a group analysis. To get involved, contact Kim Pluess on (02) 9967 9666 or kpluess@peterberry.com.au. For further information on Peter Berry Consultancy, visit www.peterberry.com.au